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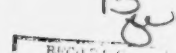
FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549



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QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

I 00-22218
33-23211

For the Quarter Ended January 31, 1992 Commission file number ~~33-23664~~

EQUIPMENT LEASING CORPORATION OF AMERICA
(Exact name of registrant as specified in its charter)

DELAWARE	23-2408914
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

Suite 76, 501 Silverside Road, Wilmington, Delaware 19809
(Address of principal executive offices) (Zip Code)

(302) - 798 - 2335
(Toll Free: 1-800-523-5644)
Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___.

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date: $1.00 par value common stock - 1,000 shares.

REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION H(1)(A) AND (B) OF FORM 10-Q AND IS THEREFORE FILING THIS FORM WITH THE REDUCED DISCLOSURE FORMAT.

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EQUIPMENT LEASING CORPORATION OF AMERICA

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EQUIPMENT LEASING CORPORATION OF AMERICA
BALANCE SHEETS

ASSETS	January 31, 1992 (unaudited)	April 30, 1991
Direct finance leases:		
Aggregate future amounts receivable under lease contracts	$14,872,567	$11,156,558
Estimated residual value of equipment	1,409,218	1,052,752
Less:		
Unearned income under lease contracts	(3,438,631)	(2,634,902)
Advance payments	(384,812)	(320,722)
	12,458,342	9,253,686
Allowance for doubtful lease receivables	(538,701)	(427,907)
	11,919,641	8,825,779
Due from parent	1,776,606	967,570
Cash	409,836	1,303,025
Other assets	374,525	360,597
TOTAL ASSETS	$14,480,608	$11,456,971
LIABILITIES		
Amounts payable to equipment suppliers	$8,749	$8,749
Accrued expenses and other accounts payable	64,386	16,433
State income taxes	15,891	17,492
Demand, Fixed Rate and Money Market Thrift Certificates	11,209,010	8,777,787
Accrued interest payable	1,053,416	765,872
	12,351,452	9,586,333
SHAREHOLDER'S EQUITY		
Common stock $1 par value, 1,000 shares authorized, issued and outstanding	1,000	1,000
Additional paid - in capital	999,000	999,000
Retained earnings	1,129,156	870,638
	2,129,156	1,870,638
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$14,480,608	$11,456,971

SEE ACCOMPANYING NOTES

EQUIPMENT LEASING CORPORATION OF AMERICA
STATEMENTS OF OPERATIONS

	For the Nine Months Ended January 31,		For the Three Months Ended January 31,	
	1992 (unaudited)	1991 (unaudited)	1992 (unaudited)	1991 (unaudited)
Revenue:				
Income earned under direct finance lease contracts	$1,740,236	$1,217,450	$620,502	$407,345
Total revenue	1,740,236	1,217,450	620,502	407,345
Costs and expenses:				
Interest expense	727,352	577,544	265,219	203,365
General and administrative expenses	524,647	305,712	194,155	118,205
Provision for doubtful lease receivables	223,634	169,107	82,395	61,842
Total costs and expenses	1,475,633	1,052,363	541,769	383,412
Net income from operations (before provision for income tax expense)	264,603	165,087	78,733	23,933
Provision for state income tax expense	6,085	3,687	2,368	738
Net income	$258,518	$161,400	$76,365	$23,195

SEE ACCOMPANYING NOTES

EQUIPMENT LEASING CORPORATION OF AMERICA
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Common Stock ($1.00 Par Value) 1,000 shares Authorized No. of shares Issued	Amount	Additional Paid-In Capital	Retained Earnings	Total Shareholder's Equity
Balance, April 30, 1991	1,000	$1,000	$999,000	$870,638	$1,870,638
Net income for the nine month period ended January 31, 1992 (unaudited)	--	--	--	258,518	258,518
Balance, January 31, 1992 (unaudited)	1,000	$1,000	$999,000	$1,129,156	$2,129,156

SEE ACCOMPANYING NOTES

EQUIPMENT LEASING CORPORATION OF AMERICA
STATEMENTS OF CASH FLOWS
For the Nine Months Ended January 31,

	1992 (unaudited)	1991 (unaudited)
OPERATING ACTIVITIES		
Net Income	$258,518	$161,400
Adjustment to Reconcile Net Income to Net Cash from Operating Activities:		
Depreciation	539	539
Amortization of Deferred Debt Expenses	101,007	83,132
Provision for doubtful lease receivables	223,634	169,106
	583,698	414,177
Effects of Changes in other Operating Items:		
Accrued Expenses	47,953	9,368
Accrued Interest	287,544	270,903
Other (net)	(117,075)	(118,037)
Net Cash From Operating Activities	802,120	576,411
INVESTMENT ACTIVITIES		
Excess of Cash Received Over Lease Income Recorded	2,725,872	1,658,054
Increase in Advance Payments	108,438	83,679
Purchase of Equipment for Direct Finance Leases	(6,151,806)	(3,930,271)
Net Cash Used in Investing Activities	(3,317,496)	(2,188,538)
FINANCING ACTIVITIES		
Proceeds from Issuance of Demand, Fixed Rate and Money Market Thrift Certificates	4,301,084	2,467,557
Proceeds (repayments) from borrowings from Walnut	(809,036)	(594,863)
Redemption of Demand, Fixed Rate, and Money Market Thrift Certificates	(1,869,861)	(1,487,458)
Net Cash Provided by Financing Activities	1,622,187	385,236
Increase (Decrease) in Cash	(893,189)	(1,226,891)
Cash, Beginning of Year	1,303,025	2,025,800
Cash, End of Period	$409,836	$789,909

SEE ACCOMPANYING NOTES

1. FINANCIAL STATEMENT PRESENTATION

The unaudited financial statements presented herein have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by generally accepted accounting principles. These statements should be read in conjunction with the audited financial statements and notes thereto as of April 30, 1991. The accompanying financial statements have not been audited by independent accountants, but in the opinion of management, such financial statements include all adjustments, consisting only of normal recurring adjustments, necessary to summarize fairly the results of operations and are not necessarily indicative of the results to be expected for the full year.

2. ACCOUNTING POLICIES

Accounting for Leases

Equipment Leasing Corporation of America ("ELCOA")'s lease contracts provide for total noncancellable rentals which exceed the cost of leased equipment and, accordingly, are accounted for as direct finance leases. At inception, ELCOA records the gross lease receivable, the estimated residual value of the leased equipment, and the unearned lease income. The unearned lease income represents the excess of the gross lease receivable at inception of the contract plus the estimated residual value over the cost of the equipment being leased. ELCOA utilizes the "effective" or interest method in recognizing the remainder of unearned income. For leases originated prior to May 1, 1988, a portion of the unearned lease income equivalent to initial direct costs incurred was recognized as income on the lease commencement date. For leases originated after April 30, 1988, the Company has changed its method of accounting to conform with the requirements of FAS No. 91 "Accounting for Non Refundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Cost of Leases". Under this method a portion of the initial direct costs as defined by FAS No. 91 ($226,402 and $118,641 for the nine months ended January 31, 1992 and 1991 respectively,) were accounted for as part of the Investment in Direct Financing leases. Unearned income is earned and initial direct costs are amortized to income using the effective method over the term of the lease.

ELCOA provides a provision for doubtful accounts based upon a periodic review (not less than quarterly) of its outstanding lease portfolio, and provides a direct charge against operations to increase the amount of stated reserves for uncollectible accounts. Any writeoffs of uncollectible leases reduce the stated amount of ELCOA's reserves. Write-offs of delinquent leases totaled $112,840 and $25,142 during the nine month periods ended January 31, 1992 and 1991, respectively.

Income Taxes

ELCOA will be included in a consolidated federal income tax return with its parent, Walnut Equipment Leasing Co., Inc. ("Walnut"). If the consolidated group incurs a federal income tax liability, each company's share will be based upon the allocation

policy of the consolidated group. However, Walnut and ELCOA will not file a consolidated income tax return for state income tax purposes. Each company will be subject to state income taxation on each company's separate income as computed for state tax purposes. State income taxes payable as of January 31, 1992 in the amount of $15,891 includes $6,085, which represents the provision for taxes on the current income.

Other Assets and Liabilities

Amounts payable to equipment suppliers in the amount of $8,749 as of January 31, 1992 represents holdbacks from suppliers of equipment as additional security for performance by the underlying lessee on the related lease contract, and are payable at the termination of the contracts based upon the lessee's compliance with terms of the lease contract.

Other assets at January 31, 1992 include $373,993 in deferred expenses, net of amortization, representing costs directly related to the Company's registration and solicitation of Demand, Fixed Rate and Money Market Thrift Certificates. Registration expenses of $101,473 at January 31, 1992 are being amortized on a straight-line basis over the estimated average lives of the debt to be issued under the registration statement. Amortization of these deferred registration expenses charged to income during the nine month periods ended January 31, 1992 and 1991 were $37,138 and $31,721, respectively. Also, $272,520 in commissions paid for sale of the Demand, Fixed Rate and Money Market Thrift Certificates included in Other Assets at January 31, 1992 are being amortized over the life of each respective certificate sold.

EQUIPMENT LEASING CORPORATION OF AMERICA
Management's Narrative Analysis of The Results of Operations
as Permitted by General Instruction H(1)(A) and (B)

Results of Operations for the Nine Months ended January 31, 1992 and 1991.

Revenues of $1,740,236 and $1,217,450 were recognized during the nine months ended January 31, 1992 and 1991, respectively. The Company utilizes the "effective" method in recognizing income from deferred income on its direct finance lease portfolio. For a more detailed discussion of the manner in which income is computed and recognized, see Footnote 2 to the Financial Statements. During the nine month periods ended January 31, 1992 and 1991, $8,199,506 and $5,325,013, respectively, in new gross finance lease receivables were added to the portfolio of outstanding leases, corresponding to equipment purchases of $6,151,806 and $3,930,271, respectively. Unearned income under direct finance leases reflected net increases of $803,729 and $490,630 during the nine months ended January 31, 1992 and 1991 respectively, which will be recognized over the remaining term of these leases.

Amounts paid under a service contract with Walnut for lease origination in the amounts of $226,402 and $118,641, respectively, were capitalized in accordance with FAS No. 91 during the nine months ended January 31, 1992, and 1991. See Footnote 2 to the Financial Statement. Beginning May 1, 1990, Walnut included its out-of-pocket costs for commissions as part of the equipment cost sold to ELCOA, and therefore, no additional reimbursement was made by ELCOA for these capitalized costs. Effective July 1, 1991, these costs increased from 3% to 4% of the equipment cost.

General and administrative expenses for the nine month periods ended January 31, 1992 and 1991 were $524,647 and $305,712, respectively. Included in these expenses were $299,694 and $139,665, respectively, in monthly servicing fees which are to reimburse Walnut for the servicing and administration of ELCOA's outstanding leases which are charged at $5.00 per account per month under terms of the service contract dated May 23, 1986. Beginning July 1, 1991, these expenses increased to $6.50 per account per month. As of January 31, 1992 and 1991, respectively, there were 6,153 and 3,677 leases outstanding. Also included in general and administrative expenses for the nine months ended January 31, 1992 and 1991 are $37,138 and $31,721, respectively, which represents the amortization of the deferred registration expenses which are included in "Other Assets" on the Balance Sheet at January 31, 1992 and 1991. See Footnote 2 to the Financial Statements for a more detailed discussion of the calculation of the amortization expense. ELCOA paid Walnut $10,000 and $4,500 during the nine months ended January 31, 1992 and 1991, for bookkeeping fees. These fees are to reimburse Walnut for the routine bookkeeping functions performed for ELCOA; these fees are charged at $100 per week. Effective January 1, 1991, this fee was increased to $250 weekly to approximate Walnut's cost incurred for these services as rendered. Also included in general and administrative expenses were $65,348 and $42,184, respectively, in transfer service fees paid to Financial Data, Inc, an affiliate. These expenses increased as a result of revisions in the fees charged effective May 1, 1990, which approximate the actual costs incurred for the services performed.

For the nine months ended January 31, 1992 and 1991, ELCOA recognized expenses of $223,634 and $169,107, respectively for its doubtful lease receivable provision, based upon the increased lease portfolio outstanding. See Footnote 2 to the Financial Statements. This provision was recognized in order to maintain an adequate allowance, based upon management's belief and historical experience, for anticipated delinquencies and impairments from doubtful direct finance lease receivables outstanding as of January 31, 1992 and 1991.

During the nine months ended January 31, 1992 and 1991, ELCOA incurred $727,352 and $577,544, respectively in interest expense on the Demand, Fixed Rate and Money Market Thrift Certificates. Accrued interest thereon of $1,053,416 and $682,978, respectively, were outstanding at January 31, 1992 and 1991. These expenses were reduced by interest income of $130,622 and $88,960, respectively during the nine months ended January 31, 1992 and 1991. The average rates of interest paid on the certificates (including accrued interest thereon) during these periods were 10.5% and 11.0%, respectively. Effective January 1, 1991, ELCOA and Walnut, its parent, agreed to pay each other interest on any intercompany advances during each month. Interest is charged at a rate equal to 2% above the prevailing "prime" rate of interest at Meridian Bank, Reading, Pennsylvania. During the nine months ended January 31, 1992, and 1991 ELCOA included $98,680 and $14,508, respectively, in interest income under this agreement.

During the nine month periods ended January 31, 1992 and 1991, ELCOA recognized provisions for state income taxes in the amounts of $6,085 and $3,687, respectively, based upon its net income before taxes. No provision for federal income taxes was necessary. See Footnote 2 to the Financial Statements.

Capital Resources and Liquidity

ELCOA has financed its growth to date primarily from the proceeds of sale of its debt securities, as well as from rental receipts from its outstanding lease portfolio. To date ELCOA has not experienced any difficulty in financing the purchase of new equipment for lease.

Taking into consideration new lease business, cash and unhypothecated leases on hand, anticipated sales of debt securities, and other resources, it is management's opinion that its cash will be sufficient to conduct its business and meet its anticipated obligations during the current fiscal year. No assurance can be given that the anticipated level of sales of its offering of Demand and Fixed Rate Certificates will be attained, although ELCOA is continuing the offering of Demand and Fixed Rate Certificates, to the public, declared effective on October 3, 1991. Redemptions during the nine months ended October 31, 1992 increased as a result of increased short-term certificates outstanding. See the Statement of Cash Flows on page 4 of this report for an analysis of the sources and uses of cash by ELCOA during the nine month periods ended January 31, 1992 and 1991.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

Reports on Form 8-K

There were no reports on Form 8-K filed during the three months ended January 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EQUIPMENT LEASING CORPORATION OF AMERICA
(Registrant)

William Shapiro, President and
Chief Financial Officer

March 13, 1992
Date